

February 16, 2011

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW.  
Washington, DC 20551

Re: Docket No. R-1404 and RIN No. 7100 AD63

Dear Mrs. Johnson:

As a small business owner, community-based bank employee and philanthropist I would like to express my concerns about the possibility of a reduction of interchange fees, I've now learned that banks will likely reduce or eliminate many of their free services. I am concerned about the economic long term consequences of this new rule.

I feel that this solution is one that needs further review because although many large retailers are affected by interchange fees, I would pay an interchange fee in my small business any day over:

- Losses due to accepting checks that maybe fraudulent or otherwise returned.
- Not being able to provide customers with access to my goods and services.
- The loss mitigation and recourse process that I would have with consumers.

Eliminating free services and charge accounts for debit cards to compensate for the lost revenue hurts the consumers this rule was intended to protect. Especially the client based that I have with my small business. If my typical customer is required to pay additional fees on a monthly basis, it will reduce their spending power, in turn making it hard to stay afloat.

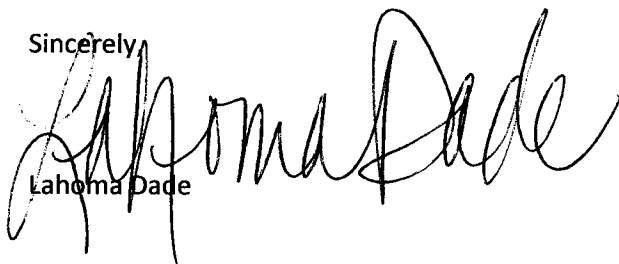
I would like to have more information on this rule as it applies to consumers, specifically:

- What organizations were reviewed in light of considering this new interchange policy?
- What consumer considerations were looked at in making this new interchange fee rule?
- What evidence will be used to ensure that retailers will pass the savings along to the consumer?
- Were the interchange restrictions in other countries taken into consideration and what was the measurable benefit to the consumer?

In closing, community-based banks and small businesses are suffering enough under the weight of the economy and excessive regulations. For the reasons and questions above, I am opposed to capping interchange fees.

I appreciate the opportunity to share my thoughts and concerns. I ask that you give them careful consideration and take time to respond.

Sincerely,

  
Lahoma Dade